

Statement by
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Bureau of Labor Statistics
before the
Compensation and Employee Benefits Subcommittee
Post Office and Civil Service Committee
UNITED STATES HOUSE OF REPRESENTATIVES

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Madam Chairperson and Members of the Subcommittee:

I welcome the opportunity to appear before this Subcommittee to explain the role of the Bureau of Labor Statistics (BLS) in the pay comparability process for Federal white-collar employees. I will focus first on the BLS role under existing legislation, then briefly describe the scope of the Bureau's 1985 national survey of Professional, Administrative, Technical, and Clerical Pay--the PATC survey. I will conclude with a few comments on possible future expansions to the PATC survey, as proposed by the President's Agent for pay comparability.

THE BLS ROLE

BLS has served as statistical agent in the Federal white-collar pay comparability process since its inception in 1962. This role, which requires the development each year of data on white-collar salaries in private industry for use by the Federal Government to set pay for its employees, was restated in the Federal Pay Comparability Act of 1970. The 1970 Act has been the legislative foundation for the Federal pay comparability process over the past 15 years.

While the 1970 Act calls for "appropriate annual surveys conducted by the Bureau of Labor Statistics," it places the responsibility for survey coverage with the President's Pay Agent (currently the Secretary of Labor, the Director of the Office of Personnel Management, and the Director of the Office of Management and Budget). The Agent sets up comparability procedures, specifies coverage of the PATC survey, and makes recommendations to the President on annual pay adjustments for Federal white-collar employees. In other words, it is the Agent--not BLS--that specifies which private industries, size of firms, and occupations the PATC survey will cover.

The BLS role in the pay comparability process is to conduct the survey and ensure that it is objective, reliable, and statistically sound and, at the same time, meets the Pay Agent's specifications. BLS is responsible for: (1) Developing lists of firms within the prescribed PATC survey coverage, (2) selecting a probability based sample of these firms, (3) collecting, primarily by personal visit, pay data for specific white-collar occupations in the sample firms, (4) reviewing and validating the survey results; and (5) delivering survey tabulations to the President's Agent. BLS also provides technical advice to the Agent on matters affecting the survey, such as on the manner in which the occupational work levels should be defined so they are readily understood in the private industry setting.

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The relationship between BLS and the President's Pay Agent has existed for over two decades. Our respective roles are firmly established. The President's Pay Agent provides policy direction for the Federal pay comparability process; the BLS, on the other hand, is responsible for statistical matters related to the survey.

THE PATC SURVEY

Although new and revised occupational definitions have become regular occurrences in the PATC survey, the sizes and types of private industry firms have not changed since 1979. This same coverage defines the 1985 survey, which is now underway. A nationwide sample (excluding Alaska and Hawaii) of 3,500 establishments was drawn for the following industry and employment size groups for 1985:

<u>Industry</u>	<u>Establishment minimum employment sizes</u>
Mining -----	250 workers
Construction -----	250 workers
Manufacturing -----	100-250 workers
Transportation and public utilities -----	100-250 workers
Wholesale trade -----	100 workers
Retail trade -----	250 worker
Finance, insurance, and real estate -----	100 workers
Selected services -----	50-100 workers

The PATC survey produces estimates of average salaries for about 100 work levels within 25 white-collar occupations in private industry. Work levels are described in terms of pay-determining duties and responsibilities based on descriptions that the Pay

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Agent can relate to Grades 1 through 15 in the Federal government's General Schedule. Overall the survey covers jobs ranging from routine file clerks and messengers to high level engineers, attorneys, and accountants.

BLS uses a uniform set of job descriptions, developed jointly with the Office of Personnel Management, to classify employees in sample establishments according to their actual duties and responsibilities. This job-matching process involves personal visits to sample establishments, dialogue with establishment officials, extensive use of company position descriptions, organizational charts, and personnel and payroll records. Salaries collected for the survey occupations are those paid to full-time employees for standard work schedules.

Results of the 1985 PATC survey will be delivered to the President's Pay Agent this coming July. BLS will also issue a news release on the survey in July and publish a comprehensive bulletin in October.

THE FUTURE

The Federal pay comparability process is large, complex, and has major impact on the Federal budget. Because of this, the process has been evaluated and reviewed by a number of groups including the General Accounting Office, the Rockefeller Panel, and the Grace Commission. These groups have consistently claimed two short-comings in the comparability process:

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- The limited scope of the PATC survey because it excludes small establishments, major private industries (particularly such services as hospitals), and State and local governments.
- The inadequate representation of the occupations surveyed.

The latest proposals under consideration to change the PATC survey are described in the 1984 Pay Agent's Report. The proposals include expanding the PATC survey to smaller establishments, to additional private industries, and to State and local governments. (Including State and local governments in the comparability process would require, of course, a change in the 1970 Act.)

Finally, BLS has reduced its regular PATC job maintenance activities and is working with the Office of Personnel Management staff in: Analyzing occupations in current and expansion industries, developing and testing job descriptions for new industries to be surveyed; and exploring methods for selecting PATC occupations to address criticisms of the lack of representativeness in current PATC jobs.

I have described briefly the BLS role in the pay comparability process. BLS has a service oriented role limited to providing data required for decision making. Many factors must, of course, be considered by the President, his advisors, and the Congress in final decisions made. The Bureau of Labor Statistics stands ready to provide as much help as possible in developing data required to carry out Federal pay policy.

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Madam Chairperson, that concludes my remarks. I would be pleased to answer any questions you or the members of the subcommittee may have.

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